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C O N F I D E N T I A L SECTION 01 OF 04 BUENOS AIRES 000430

PASS NSC FOR TOM SHANNON, KIM BREIER, NILMINI GUNARATNE, DEL RENIGAR PASS USTR FOR SUE CRONIN TREASURY FOR DAS LEE, DAVID DRYSDALE, RAMIN TOLOUI AND CHRIS KUSHLIS AND OCC FOR CARLOS HERNANDEZ USCINCSO FOR POLAD

E.O. 12958: DECL: 01/20/2015

TAGS: PGOV PREL AR OFDA
SUBJECT: POLITICAL RENEWAL OR A CHANGE OF THE GUARD IN

SANTIAGO DEL ESTERO?

REF: A. 04 BUENOS AIRES 01023

¶B. 04 BUENOS AIRES 02817 1C. 04 BUENOS AIRES 00592
1D. 05 BUENOS AIRES 00124

Classified By: Ambassador Lino Gutierrez for Reasons 1.4 (B) and (D)

11. (C) SUMMARY: POLOFFS traveled to Santiago del Estero February 15-17 to meet with political leaders and election officials on the eve of gubernatorial and legislative elections. (See refs for background on elections) Everyone assured POLOFFS that the election would be free and fair, although it was evident the Peronist Party (PJ) candidate Jose "Pepe" Figueroa planned to rely on the formidable PJ Jose "Pepe" Figueroa planned to rely on the formidable PJ party machine to ensure their voters get to the polls. POLOFFS as a professional political leader who is seeking to change the long history of "caudillismo" in the province. Professional pollsters up until a few weeks ago had Zamora with a commanding 30-point lead, which has since narrowed to under 10 points. Polls sponsored by the national government have the race neck-and-neck. The February 27 election in Santiago del Estero is the first in a year of elections and the Casa Rosada has made keeping the governorship in the hands of the PJ a top goal. Federal intervention chief Pablo Lanusse seemed exhausted from his efforts to reform the province's feudal political system, but polls show his efforts have earned him high marks from province residents as his mandate is set to expire next month. END SUMMARY.

Jose "Pepe" Figueroa: Another Caudillo?

- 12. (C) A newly converted "Kirchnerista," "Pepe" Figueroa has once again shifted political gears within the PJ party to align himself closely with the President. Figueroa's recently publicized outspoken support and close affinity for President Kirchner played an influential role in winning him the PJ gubernatorial nomination in Santiago's early January PJ primary race (ref A), a tactic he has continued to draw heavily upon in his current campaign. Figueroa's campaign manager Marcelo Nazar told POLOFFS that he was working closely with the GOA to ensure a PJ victory in Santiago.
  Nazar pointed to the visits of several Kirchner-camp governors, six GOA ministers including Kirchner's "inner circle" Minister of Planning Julio de Vido and Vice President Daniel Scioli, as demonstrations of support for Figueroa. Apart from the political weight of the visits by high ranking GOA members and PJ party leaders, Figueroa has manipulated the Kirchner link in his local advertising. Streets surrounding central plaza are lined with posters displaying Figueroa warmly greeting the President as well as droves of young girls distributing flyers with the campaign slogan, "Together with Kirchner we will change Santiago."
- 13. (C) Prior to joining forces with Kirchner, Figueroa was a ardent Menem supporter. Figueroa's long-standing ties to the Figueroa was an former president date back to 1983 when he joined the "Peronist Renewal" movement, at that time lead by Menem, where he served as electoral representative for the National PJ Advisory and also the President of the PJ's Finance Commission from 1985-1987. He co-founded the "Menem for President" faction in 1985 and in 1989 he was elected National Senator for the PJ Party. Figueroa held his position as senator until 1998 when he left the Senate and became a member of Menem's cabinet, designated as the Secretary of Social Development from 1998 to 1999. Figueroa

continues to hold Menem in high esteem and told POLOFFS that he greatly values his close relationship with the former president.

14. (C) Campaign head Marcelo Nazar, briefed POLOFFS on the historical functioning of Santiagueno politics at a dinner

hosted by Figueroa. Santiago's deficit of viable industry and lack of basic infrastructure has kept it one of Argentina's poorest provinces for decades with currently 59 percent of its population below the poverty line. This overarching structural poverty, especially in rural areas, has led much of the population to rely on GOA subsistence subsidies. Traditionally, local mayors are essentially feudal lords in their districts, maintaining power by strategically distributing subsidies and foodstuffs before major elections. According to Nazar, "Necessity is the reality in Santiago and he who controls the pocketbook maintains power." Santiago's rural areas have strong Peronist roots and the 21 district mayors are Figueroa's backbone for the February 27 election.

- 15. (U) Figueroa outlined a general trajectory of goals for his future mandate including constitutional reform, infrastructure development and agriculture-based growth, but did not give specifics on how he planned to execute such reforms. He did however attend a February 16 convention held by a group of local and international NGOs committed to the development of civil society and governmental reform in Santiago where he publicly vowed to reform the provincial constitution within 90 days of taking office as well as promote transparency.
- 16. (SBU) Jose Figueroa was born in 1946 in Suncho de Corral in the province of Santiago del Estero. He received a Bachelor's degree in political science from the Catholic University of Santiago del Estero in 1974. Figueroa joined the Peronist party in 1972 and began his political career with the help and guidance of the long-time caudillo governor Carlos Juarez, currently under house arrest (ref B). (Note: Figueroa's current gubernatorial platform is based not only on his close connections to the GOA, but also on his stated opposition to Juarez.) Before dedicating himself to politics, Figueroa was a businessman and the President of the International Chamber of Commerce in Santiago del Estero. He is married and has five children.

## Comment:

17. (C) Figueroa's long history of shifting alliances within the PJ party from Juarez to Menem to the current Kirchner demonstrate his understanding of the PJ party machine. He has the ability to strategically position himself close to influential members to promote his personal political agenda of staying in power regardless of ideological affiliations. Despite his promises of transparency and reform, many doubt that once elected Figueroa will take action to initiate reforms to the traditional party system that are necessary to modernize the political system in the province.

## Gerardo Zamora: A Breath of Fresh Air?

- 18. (U) In contrast to Figueroa's campaign which seeks to acquire support through broad PJ popularity, especially at the GOA level, Radical candidate Gerardo Zamora has pursued the opposite and has focused on minimizing his radical party ties and building support at the local level. Radial Civil Union (UCR) President Angel Rozas has come out in support of Zamora's campaign, but has not played a leading role as Zamora's strategy is to build a coalition, Civic Front for Santiago, which includes supporters from RECREAR, socialists and former ARI members. Zamora's strongholds are concentrated in Santiago's two major cities, Santiago and La Banda; however, once outside the urban area the PJ's secure grasp over local mayors is difficult for Zamora to penetrate.
- ¶9. (U) Zamora was born in 1965 and is a native of Santiago del Estero. He received a law degree from the Catholic University of Santiago del Estero and became active in politics while attending the university. He was President of the Young Radicals and also the UCR-aligned "Purple Fringe" student movement from 1986-1987. Zamora continued to work within the Radical party and became President of the Provincial UCR and Vice President of the National Committee. He was elected Provincial Representative for the terms of 1991-1993 and 1997-1999.
- 110. (SBU) Zamora became involved in the Santiago City government in 1999 when he was elected Vice Mayor on the ticket of Jose Luis Zavalia. Zavalia's lack of fiscal responsibility sent Santiago plummeting into debt, rocking the city government and forcing his resignation in 2001. By default, Zamora became Mayor and managed to restore order to Santiago, although critics have noted he did more to appease social unrest than reform the situation. Overall, he proved himself a fiscally responsible and capable administrator, and, despite his position in the Zavalia government during the scandal, overwhelmingly won re-election in 2003 with 64

percent of the vote. He is the current President of the National Forum of UCR mayors and is generally well-perceived by the public.

111. (SBU) Professional pollsters had placed Zamora well ahead of Figueroa with as much as a 30-point lead until recent weeks. When asked about the recent avalanche of PJ Party members rushing to Santiago to support Figueroa, Zamora admitted he was apprehensive, but hopeful he could maintain his position. His strategy has been to invite UCR governors who work well with Kirchner to Santiago to demonstrate to the GOA that his win would not signify loss of provincial cooperation. In the most recent polls however, tides have changed and GOA-sponsored Analia de Franco places the candidates on level ground, with Figueroa at a one percent advantage.

Comment:

112. (C) Zamora also signed the NGOs' pact pledging to dedicate himself to constitutional reform and transparency if he is elected. In his meeting with POLOFFS he was professional and focused and presented detailed plans outlining crucial reforms he plans to implement in the province. Zamora realizes that a drastic changes need to be made in Santiago and that while benefits may not be immediate he seemed committed to giving his utmost effort to reform Santiago.

Lanusse: The Outsider

113. (SBU) Lanusse will complete his second six-month term as intervention chief of Santiago del Estero next month after his April 1, 2004 appointment by Kirchner. Viewed as an outsider in Santiago, Buenos Aires native Lanusse's temporary government arrived to revamp the corruption-ridden province and restore it to provincial control as quickly as possible. The early January open internal PJ elections marked a major success for Lanusse as Santiago's first PJ primaries in decades, which despite initial uncertainty appear to have been open and fair. While Lanusse's major goal of constitutional reform was shelved until after the February 27 gubernatorial elections, he has made progress in judicial reform and most importantly has worked to provide an opening for the development of civil society. To his credit, according to recent polls, 62 percent of the Santiago public views the intervention favorably despite initial skepticism and apprehension.

Comment:

114. (C) As Pepe Figueroa told us during our meeting with him, elections are won in Santiago del Estero with money, transportation, and party election officials. The power of the PJ machine to bring in voters on Election Day cannot be underestimated and Figueroa is likely to do better than professional polls have indicated. Many local observers believe that Zamora is the best hope for continued reform in Santiago del Estero. Both leading candidates have pledged to re-write the Juarez era constitution and finish the process of political renewal in the province. However, Figueroa struck POLOFFS as someone who would not likely push boldly for change. Figueroa's campaign manager Marcelo Nazar candidly told us that "what we are showing the world in Santiago del Estero is that people can change their governors, although not necessarily their government." We hope this election does not prove to be merely a changing of the guards. GUTIERREZ